

Page 12, line 22: after "CATEZOMES™" please add --liposomes--;

Page 12, line 31: after "Octoxynol-9" please insert --detergent--;

Page 14, line 3: please replace "CATEZOME™" with --CATEZOMES™ liposomes--;

Page 14, line 4: after "CATEZOMES™" please add --liposomes--;

Page 15, lines 5 & 11: please replace "CATEZOME™" with --CATEZOMES™ liposomes--;

Page 16, lines 6, 10, 14 & 15: after "CATEZOMES™" please add --liposomes--;

IN THE CLAIMS

Please delete claims 11-16, and 27-32, without prejudice or disclaimer of subject matter; and, amend claims 1, 18, 35 and 37 as follows, and add newly presented claim 39 as follows.

1. (Amended) A method of preparing a lipid vesicle from alkylammonium fatty acid salts, such that the resulting vesicle is substantive to hair and skin, *tissue culture cells, epithelial cells* comprising the steps of:

(a) dispersing long chain acyl Nn, Nn-dimethyl-¹/_x n-diamino alkyl (A-ADDA) molecules in a buffering solution with a load material for delivery, to form a dispersion, said buffering solution having a pH within a range of between around 3.0 to around [and] 10.0 and an ionic strength less than or equivalent to one molar NaCl; and

(b) subjecting the dispersion to high shear processing whereby cationic lipid vesicles containing the load material are realized.

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18. (Amended) A lipid vesicle substantially comprised of alkylammonium fatty